

EXHIBIT 23

To: Stephanie Ruhle[sruhle2@bloomberg.net]
From: KP13 [Case 1:23-mc-00070-LAK-GWG](#) Document 66-23 Filed 08/23/23 Page 2 of 4
Sent: Fri 1/29/2016 10:49:46 AM (UTC-05:00)
Subject: Fwd: Under Armour Inc.: Women's Apparel and Running Footwear Still Threaten Premium Valuation; Reiterate UW
[image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

How about this rat....

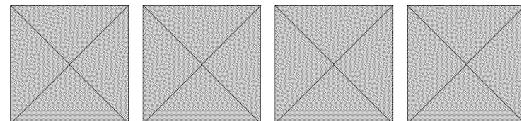
From: Shaw, Tom
Sent: Friday, January 29, 2016 8:45 AM
To: Dickerson, Brad; Molloy, Chip; Anguilla, Rick; Gillard, Carrie
Subject: FW: Under Armour Inc.: Women's Apparel and Running Footwear Still Threaten Premium Valuation; Reiterate UW

Sticking to his story...

Tom Shaw, CFA
Director of Investor Relations



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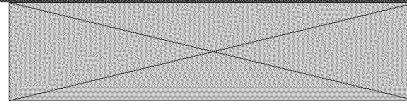


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Exhibit
0019

From: Jay Sole [mailto:Jay.Sole@morganstanley.com]
Sent: Friday, January 29, 2016 4:06 AM
To: Shaw, Tom
Subject: Under Armour Inc.: Women's Apparel and Running Footwear Still Threaten Premium Valuation; Reiterate UW



JANUARY 29, 2016 GMT

Under Armour Inc. (UA.N)

Women's Apparel and Running Footwear Still Threaten Premium Valuation; Reiterate UW

[Download the complete report \(34 pgs\)](#)

Despite positive headlines, some income statement and balance sheet items suggest to us issues exist. Int'l and basketball footwear strength is buying UA time to fix its women's business. However, if women's slows, we think UA will eventually miss expectations and its 65x P/E will fall.

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Under Armour Inc.
Stock Rating : Underweight

We see five concerning data points: 1) US women's apparel likely grew only 8%, which was in-line with our bearish view and probably an 800 bps deceleration q/q; 2) UA guided to 1Q gross margin down 150 bps y/y vs. consensus of flat; 3) UA had lower 4Q incentive compensation, suggesting the company may have missed some internal benchmark; 4) Inventory increased 46%, 1700 bps more than 1Qe sales growth and; 5) Accounts receivable increased 55%, 2400 bps higher than 4Q sales growth. This is a 3000 bps difference vs. UA's LT avg. AR is \$76M above trend. Removing this amount from 4Q sales would have meant UA's top-line growth missed by 300 bps instead of beating by 500. Lastly, we continue to think the -20% running footwear ASP change since 2013 vs. -4% for the industry is a problem.

[Branded Apparel & Footwear](#)

Industry View : In-Line

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Our UW thesis is essentially unchanged: Key growth engines are at risk of slowing. Together US women's apparel and US running footwear is 35% of our forecasted growth and we remain concerned about trends in these categories. We believe recent UA stock volatility shows if the market perceives a top-line trend inflection, its premium P/E could fall. UA is adding merchandising talent and introducing four new \$100+ running styles. This may help, but even if successful, the percentage of UA running footwear sales from SKUs over \$100 will likely grow to just 6% vs. the 23% peer avg. Nevertheless, if women's apparel rebounds and running footwear prices climb, we may reconsider our view. *Please see [4Q Review](#) for more detail.*

We increase our FY16 EPS estimate by 2c and price target to \$64 from \$62 based on slightly higher sales growth, slightly offset by lower margins. We believe our long-term 22.5% sales growth forecast will remain below the Street's 25+% view. Putting our new EPS estimates through our DCF causes the PT change. All other assumptions are essentially the same. We continue to think UA looks expensive vs. history and peers. Its 65x P/E is 50% above its 5-yr. historical average and its 2.7 PEG ratio is 51% above the group median. Our *What's in the Price?* analysis suggests 80% of the stock's value is in growth looking out beyond three years, 400 bps above its historical avg., even though UA is a much larger company today, and well above the 12% peer median.

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